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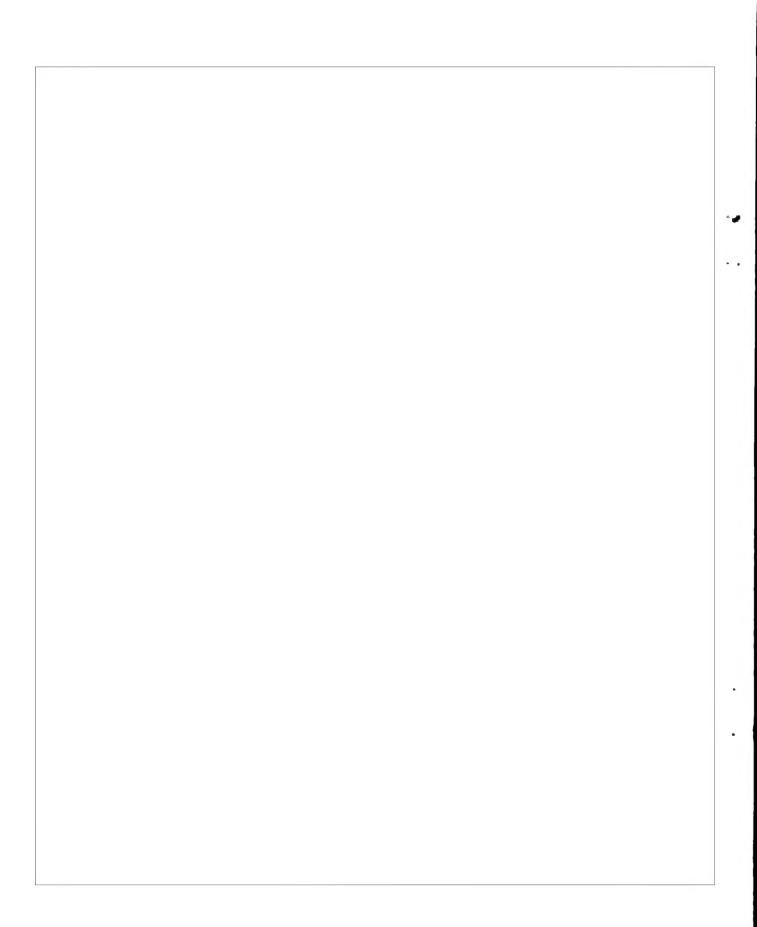
Monday 21 April 1980

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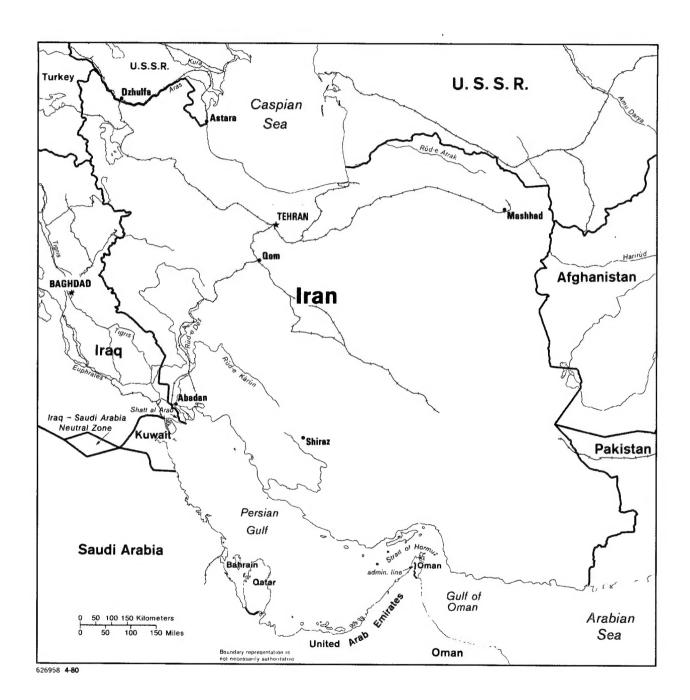


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21 April 1980



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SITUATION REPORT
IRAN
Clashes between Muslim and leftist groups continued at universities throughout Iran over the weekend despite orders from the Revolutionary Council to end the fighting; last night the Council ordered the universities closed until tomorrow.
At least one person has died in Tehran where leftist Mujahedin students early today agreed to end their sit-in which was intended to prevent the government from closing their political offices. In Mashhad, 350 people were injured and the Mujahedin headquarters was surrounded; it too will be vacated today. Groups at Shiraz University, where some of the most serious fighting had taken place, have turned the college over to university officials. In Abadan, an agreement has also been reached. President Bani-Sadr and Revolutionary Council spokesman Habibi met yesterday with the heads of various colleges to discuss the situation. (U)
The militants holding the hostages have contacts among these Muslim activists—who also call themselves followers of Khomeini's line—and are undoubtedly watching these events closely to see how much support they generate. The influential Qom Theological Seminary has come out in support of purging the universities of leftists. The purges seem to have garnered considerable public support.
Soviet Propaganda
Soviet propaganda claims that Moscow has already begun efforts to circumvent a possible US blockade of Iran. Advertisements carried in the English-language "Moscow News Weekly" over the past month have referred to a "reliable and beneficial container landbridge" to Iran. An article in that same paper said cargo from Western Europe is pouring into Iran and that transit of Iranian imports via Soviet territory is of "vital importance" to Iran because of a threatened US economic blockade.
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Iran-Iraq
Both Baghdad and Tehran kept up their war of words over the weekend, but there were no reports of new clashes. Some fighting is continuing between Iranian Kurds and government forces seeking to reinforce the border with Iraq.

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BRIEFS AND COMMENTS

ISRAEL-LEBANON: Tension Remains High

Although no new incidents were reported over the weekend, tensions between Shia villagers, backed by Christian militia leader Haddad, and Irish UN troops remain high in the aftermath of the murder of two Irish soldiers on Friday.
Shia villagers have sworn to kill two more Irish soldiers as "blood revenge" for the deaths of two villagers in a clash with Irish troops earlier this month, according to Israeli Chief of Staff Eitan. Haddad is giving support to the villagers, many of whom are members of his militia, despite his denials that his forces had anything to do with the murders. Haddad's troops were stopping UN vehicles on Saturday and searching them for Irish soldiers. The UN has ordered the Irish units to stay in their compounds.
Israeli officials continued to deny that they have any control over Haddad or the villagers despite growing international condemnation of Tel Aviv's support for Haddad's militia. Defense Minister Weizman admitted that Israel supports Haddad but denied that Tel Aviv had any role in the recent murders.
Israeli patrol boats apparently intercepted a Palestinian guerrilla group on its way to carry out an attack in Israel Saturday. This was the second attempt foiled by the Israeli military since the attack on a settlement in northern Israel two weeks agolast weekend security forces captured a group trying to infiltrate from Jordan.

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EC-IRAN: Possible Sanctions

The EC states will probably approve some sanctions against Iran at the Foreign Ministers' meeting opening tonight in Luxembourg.

The arrival of Japanese Foreign Minister Okita there to discuss joint sanctions provides a strong indication that the EC Foreign Ministers will reach a decision tomorrow, rather than delay it until the EC heads of government meeting on Sunday. Japan has indicated that it will go along with any EC sanctions decision.

Most EC governments are reluctant to incur the costs of economic and political sanctions and believe that they will be ineffective or even counterproductive. Nevertheless, the EC states feel that they must take some action to demonstrate solidarity with the US.

Paris, Bonn, and London all oppose a freeze on Iranian assets. Several EC members have claimed that they would have to obtain the approval of their parliaments before resorting to full economic sanctions. There is general agreement, however, that at least some measures could be taken under Article 113 of the EC's Rome Treaty.

SOUTH KOREA: Opposition Divided

The rivalry between South Korea's two leading opposition pol	_
iticians threatens to work to the advantage of more conservative	
groups in the military and the government and weaken the drive	
toward democratization.	

Popular dissident Kim Dae Jung--who nearly unseated former President Park in the election in 1971--last week refused to rejoin the opposition New Democratic Party because of conditions imposed by party president Kim Young Sam. Kim Dae Jung may have hoped that his refusal would result in additional sympathy and support within the party for his candidacy for next year's presidential election, but the move appears to have backfired.

Kim Dae Jung is hinting that he will form his own party, and he is seeking broad political support. He is also hoping for US acceptance of his third party proposal. The charismatic Kim can count on the support of some new Democratic Party members and most nonparty dissidents. All but his most enthusiastic followers, however, are critical of his willingness to divide the opposition and reduce the chances for more liberalization.

Kim Dae Jung may find himself increasingly isolated in an extremist position which could significantly undercut his popular appeal over the next year.

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NICARAGUA: Growing Opposition

The resignation of junta member Violeta de Chamorro on Saturday is linked to mounting resistance to Sandinista policies and may set the stage for the first serious challenge to the regime. Although Chamorro ostensibly resigned for health and family reasons, she reportedly shares the private sector's concern over the government's mismanagement and leftist slant. Angered by extra-legal property seizures, antibusiness decrees and rhetoric, and administrative incompetence, the private sector now faces an attempt by the Sandinista national directorate to pack the Council of State, a quasi-legislative body scheduled to convene on 4 May. Various independent political parties and business associations have coalesced on this issue--reportedly with the blessing of junta member Alfonso Robelo--and are considering a general strike if the Sandinistas do not yield.

Should the directorate hold firm, many Nicaraguans will see its public commitment to pluralism as mere lip-Moreover, the Sandinistas will be sending a service. clear signal of their willingness to risk losing Western assistance and the participation of the business community in national reconstruction.

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SOMALIA: Refugee Crisis

The refugees in Somalia are facing starvation.

The refugees, mostly Somali tribesmen from Ethiopia, are already straining Somalia's resources. The UN High Commissioner for Refugees estimates the refugee population in Somalia to be the largest in the world.

Nearly 650,000 refugees are believed to be in UN camps, with an additional 700,000 in the countryside.

Approximately 90 percent are women and children.

The situation has become critical in northern Somalia, where the government has been unable to provide adequate food, water, and medicine. A drought has led to shortages of food and water even among the indigenous population. Lack of relief personnel, the considerable distance of relief camps from the capital, and Ethiopian airstrikes have compounded administrative and logistic problems.

Observers are reporting extensive and increasing malnutrition, especially among children. Unsanitary conditions in the camps have worsened and communicable diseases are spreading. The weekly death toll is likely to increase soon from dozens to hundreds.

The international community has responded poorly to a UN appeal for 159,000 tons of food for 1980. The US reacted promptly by pledging to deliver 58,000 tons, but all other donors have offered only a total of 20,000 tons.

The last scheduled shipment of American food aid will arrive in June and no additional shipments are planned. Even if emergency relief supplies were approved immediately, they would not arrive until late summer, and the two to three months' interruption in the supply line could be disastrous.

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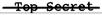
NIGERIA: Labor Restiveness

Nigeria's urban workers, who number over a million, are growing more frustrated and more militant. Wage negotiations between the central labor organization and the government have passed labor's strike deadline as the government resists inflationary wage demands. One of Nigeria's 42 industrial unions has walked out in defiance of national labor leaders and three more are threatening walkouts. Labor stability is crucial to Nigeria's civilian government, and President Shagari is heavily committed to improving the lot of the urban workers.

Wages have been frozen since 1975 despite steep inflation and deteriorating living conditions. Nigerian workers feel overdue for a larger share of the new oil wealth, and the new oil and gas workers' union has the potential to shut down Nigeria's oil industry. If wildcat strikes gain ground, police forces would be stretched thin.

GREECE: Presidential Election

Prime Minister Karamanlis announced over the weekend that he "could" be a candidate for the presidency when Parliament commences balloting on Wednesday provided the election is not politicized and the office thereby demeaned. The equivocal nature of Karamanlis' declaration is an attempt to outmaneuver the opposition since it is widely expected that he would be a highly "political" executive. Karamanlis hopes that this move will force leftist opposition leader Papandreou to rescind his boycott of the election and permit moderates in his party to vote for Karamanlis. Karamanlis then could be elected on the first or second round--when a two-thirds majority is required--without resorting to a less stringent but embarrassing third round that would leave him vulnerable to the charge that he does not have an electorate-wide mandate. Even if Karamanlis' ploy fails, it will assist his candidacy in the event that he still falls short and a mandatory national parliamentary election is called.



CHINA: IMF Membership

China, which replaced Taiwan in the International Monetary Fund last week, is now eligible to join the World Bank and its affiliates. IMF membership also enables China to obtain immediate financial assistance in case of balance-of-payments problems and to gain access to development loans. China probably will not be able to get low-interest, long-term aid before 1984 because most current development funds have already been lent to other developing countries. Beijing will assume the current Taiwan IMF quota of approximately \$700 million equivalent.

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SPECIAL ANALYSIS

JAMAICA: Election Prospect	AMAICA:	CA: Election	Prospects
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The moderate Jamaica Labor Party is strongly favored to defeat Prime Minister Manley's People's National Party in the election this summer. Although the combination of unprecedented radical control of the ruling party and a growing potential for social unrest could prompt leftists to attempt a power grab illegally, we believe that Manley would discourage such a course. The chance of success is low, and he probably is more inclined to see the radicals regroup behind him in effective opposition to a Jamaica Labor Party government.

In the event of major unrest, Manley, spurred by his leftist advisers, could attempt to impose a state of emergency that would restrict the Jamaica Labor Party's campaign and entrench the Prime Minister. The Manley government—or radicals who could subsequently push him from power—might then seek large—scale security assis—tance from Cuba.

The union-based Jamaica Labor Party now appears powerful enough, however, to block the radicals from retaining power--with or without Manley--even if they were to try to impose a state of emergency. The security forces, moreover, are mindful of the political purposes of the state of emergency imposed before the elections of 1976 and are wary of any attempt by the Prime Minister and the radicals to entrap them.

The Radicals

Since 1974, Manley has encouraged People's National Party radicals to increase their influence in the party and to build grassroots support for a leftward shift in

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government policy.	Moderates have nonet	heless dominated
the cabinet and cont	rolled the country's	economic policy
for most of Manley's	administration, eve	n though he
eventually appointed	five leftists to th	e cabinet.

In recent weeks, however, Manley has yielded unprecedented influence to leftists, and they now control the key ministries of finance and national security. Although they will provide the Prime Minister with considerable political talent, they appear to lack both the organizational resources and the popular support to win the election or to stage a coup.

Manley will join the leftists in the election campaign to make the International Monetary Fund a scapegoat for seven years of economic decline under his administration. Last month he accepted a radical-authorized proposal to break with the IMF and to begin using an alternative plan that has virtually no chance of easing Jamaica's foreign exchange crunch.

Libya has yet to provide a single installment of its promised \$50 million loan to Jamaica, and Venezuela--which Manley apparently hoped would be his trump card-has refused to speed up the implementation of a special oil facility for Jamaica. In fact, Manley probably does not believe the anti-IMF tactic will lead to a workable strategy of economic development for the island.

Recognizing his position, the Prime Minister is likely to be looking beyond defeat in the election to an early constitutional return to power. Although sentiment among the radicals is less certain, they probably will stick with Manley as the Jamaica Labor Party campaign picks up momentum and further exposes their weak popular support.

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The Security Forces

Jamaica's 2,000-member Army and, to a lesser extent, its 6,000-member police force remain influenced by a British-instilled tradition of institutional political neutrality. The loyalties of the members are divided between the two major parties.

Like most Jamaican institutions, the security forces are "hostage" to the country's entrenched two-party system. Although Manley has tried to politicize them, the Jamaica Labor Party has never lost reliable contacts who have helped to expose the Prime Minister's efforts.

Nevertheless, both the police and military are being hurt by budget cuts and by increasingly high attrition resulting from Jamaica's economic deterioration. Anti-Manley sentiment among the members of the security forces is strong and most would be wary of any attempt by the Prime Minister to use them to secure his political position.

If economic decline over the next several months leads to an actual breakdown of law and order, however, we would expect the security forces to intervene on behalf of the constitutional government—a situation that Manley might be able to exploit politically. On the other hand, the Jamaica Labor Party now probably is strong enough in the streets as well as at the polls to upset any attempt by Manley to perpetuate himself in power.

The security forces as a whole appear to pose no threat to Jamaican democracy, but the potential exists for the left, with nearly guaranteed cooperation from Manley's opportunistic Minister of National Security, Dudley Thompson, to radicalize a small core of officers and men. In an atmosphere of social and economic disorder, they eventually might prevail against a disorganized and ill-equipped majority.

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Independent radicals, led by Trevor Munroe who heads Jamaica's principal Communist party, might also eventually attempt to seize control. In September 1978, the Jamaican police raided and destroyed several guerrilla camps linked to Munroe. At this time, however, such a coup effort would have only a small chance of success.